

# CITY OF NEWPORT BEACH



## REQUEST FOR PROPOSAL NO. 14-8 REQUEST FOR MANAGEMENT PROPOSALS FOR NEWPORT BEACH OIL WELL AND GAS ASSETS

**RFP Due Date:**

September 9, 2013; 12:00PM

**RFP Administrator:**

Anthony Nguyen, Purchasing Agent

T: 949.644.3080 F: 949.642.7072

[anguyen@newportbeachca.gov](mailto:anguyen@newportbeachca.gov)

(Email the RFP Administrator to be added to the Contact List for this RFP to receive updates regarding addenda to this RFP)

*Interested parties may obtain a copy of this RFP by contacting the Purchasing Office or by accessing the City of Newport Beach website:*

[https://www5.newportbeachca.gov/osupplier/bid\\_current.asp](https://www5.newportbeachca.gov/osupplier/bid_current.asp)

## Prospective Respondents:

This notice is to confirm the City of Newport Beach's request to receive proposals to maximize the value of the City's oil and gas assets. The proposals are expected to provide recommendations to redevelop the City's existing reservoirs as well as develop any additional potential within the City's mineral holdings. Interested parties are invited to participate in this process and the City is looking forward to your proposal if you choose to submit one. The target date to send your "term sheet" level proposal to the City is **Monday September 9<sup>th</sup>. By 12 noon PST**. Please send all sealed proposals to the RFP Administrator at the following address:

City of Newport Beach  
Anthony Nguyen, Purchasing Agent  
100 Civic Center Drive  
Newport Beach, CA 92660  
[anguyen@newportbeachca.gov](mailto:anguyen@newportbeachca.gov)

For the proposal the City requests you keep in mind some base assumptions;

- The City stays in base ownership position
- The City continues ownership of mineral rights
- All required permits and approvals must be obtained by Investor
- All new drilling work would require extensive community outreach
- Current operations -- maintenance of all facilities to be maintained at current or better standards

## Proposal Content

The proposal format the City is expecting is that of a high level "term sheet" that first provides the following company information;

- Company Profile and History
- Company Financial Information

- References
- Statement of experience working in urban environments and other sensitive settings

Secondly please outline how your firm would propose to partner with the City to maximize oil revenues. Some possible options are listed below.

- Production Sharing Agreement – new investor provides new development capital and after receiving a specified return on investment, the City backs in for a working or royalty interest.
- New Investor guarantees the base production which the City currently owns and pursues development of additional production. City participates at increasing levels depending on success of new production – either working interest or royalty interest.
- Payment to City for future base production with Overriding Royalty (ORR) on future development. (City must stay in base ownership position)

We are open to other suggestions as well.

The City will review the proposals with the help of a Consultant firm and determine which firm(s) will be contacted for follow up discussion.

Thank you for your interest in this opportunity. Please call or email with any questions,

Rob Houston

Assistant to the City Manager

949-644-3033

[rhouston@newportbeachca.gov](mailto:rhouston@newportbeachca.gov)